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ARIZONA CORPORATION COMMISSION 2011 APR 25 P 3: 22

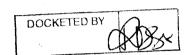
April 25, 2011

Arizona Corporation Commission DOCKETED

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AZ CORP COMMISSION DOSKET CONTROL

Mr. Patrick J. Black Attorney for Rio Rico Utilities, Inc. Fennemore Craig 3003 N. Central Ave., Suite 2600 Phoenix, AZ 85012-2913



Rio Rico Utilities, Inc. - Application for an Extension of an Existing Certificate of RE: Convenience and Necessity ("CC&N") to Provide Water Utility Service in Santa Cruz County, Arizona - Docket No. WS-02676A-11-0134

INSUFFICIENCY LETTER

Dear Mr. Black:

In reference to the above-mentioned application by Rio Rico Utilities, Inc. ("Rio Rico", "Company" or "Utility") docketed on March 28, 2011, this letter is to inform you that the Staff of the Arizona Corporation Commission ("ACC") is still in need of further information to determine sufficiency requirements as outlined in the updated Arizona Administrative Code ("A.A.C") R14-2-402.D. (ACC Water Rules):

- 1. Please provide a corrected legal description and maps as discussed with Staff.
- 2. The application requests a CC&N extension area of approximately 1,200 acres. Of the 1,200 acres, there are only plans to develop and provide water to approximately 345 acres of that area for the Palo Parado Subdivision. Although there are requests for service by Lawyers Title Trust for three separate parcels and the John C. Todd Rev. Trust ("Todd Trust") that make up the rest of the area, it appears the land will remain undeveloped except for the transmission line on the Todd Trust area. Why is the Company requesting an extension at this time to the other approximate 855 acres?

Staff would like to use this opportunity to bring the following to your attention:

Pursuant to the A.A.C. R-14-2-411(C), upon meeting sufficiency requirements, the Commission has 150 days for its substantive review. conducting a hearing and preparing an Opinion and Order to present to the Commission at an Open Meeting; and

• Pursuant to A.A.C. R14-2-411(C) (3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

If you have any questions, please do not hesitate to contact me at 602-542-0818.

Sincerely,

Vicki Wallace

Executive Consultant

Cc:

Docket Control

Jian Liu

Barbara Wells Lyn Farmer